



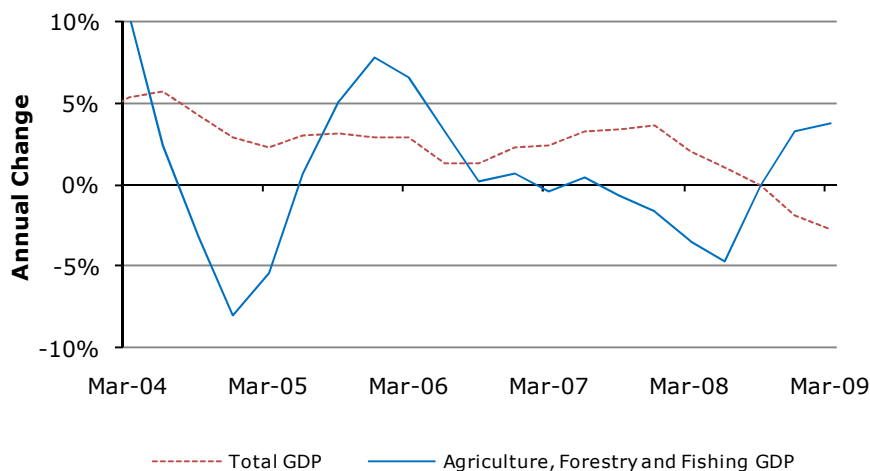
EMPLOYMENT AND SKILLS SNAPSHOT – AGRICULTURE, FORESTRY AND FISHING

Overview – June 2009

The agriculture, forestry and fishing industry is the seventh largest employing industry in New Zealand with 156,300 workers (or 7.9% of the total workforce) as of March 2009¹. Employment within this industry has declined over the past five years, and the Gross Domestic Product (GDP) of the industry has shown increased volatility (see Figure 1). The discussion below focuses on employment characteristics, trends and prospects in the agriculture, forestry and fishing industry and highlights specific sub-industries where job growth has been the strongest.

The agriculture, forestry and fishing industry is divided into eleven sub-industries, depending on the type of primary production being undertaken. These sub-industries are: horticulture and fruit growing; grain, sheep and beef cattle farming; dairy cattle farming; poultry farming; other livestock farming; other crop growing; services to agriculture; hunting and trapping; forestry and logging; marine fishing; and aquaculture.

Figure 1: Total GDP and agriculture, forestry and fishing GDP change from previous year's quarter, (Mar 2004 – Mar 2009)



Source: NZIER Quarterly Predictions (March 2009)

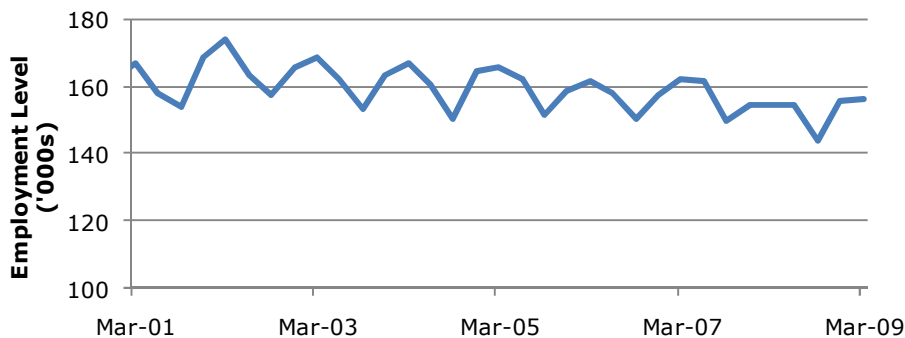
¹ Source: Department of Labour Employment Estimates. (Department of Labour Employment Estimates are calculated internally by extrapolating historical trends in employment as well as incorporating Linked Employer-Employee Data (LEED) from Statistics New Zealand)



Recent employment growth

In recent years, employment growth in the agriculture, forestry and fishing industry has declined (see Figure 2). In the five years to March 2009, employment in the industry fell by 9,900 (or 3.2%) to 156,300. This represents an annual average decline of 0.6% in the past five years, the largest fall in employment of all industries at the aggregated level.

Figure 2: Employment Level ('000s) (Mar 2001 – Mar 2009)



Source: Department of Labour Employment Estimates

Table 1 shows that agriculture, forestry and fishing employment is dominated by the services to agriculture sub-industry, accounting for 42,600 workers (or 27.2% of the industry's employment) in March 2009. Horticulture and fruit growing employed 32,400 workers and dairy cattle farming 32,300 (or 20.7% and 20.7% of industry employment respectively).

Table 1: Industry employment by sub-industries, Mar 2009 and employment growth (Mar 2004 – Mar 2009)

Industry	Employment (Mar 09)	Share of industry employment	Employment growth (Mar 04 - Mar 09)
Services to Agriculture	42,600	27%	53%
Horticulture and Fruit Growing	32,400	21%	-12%
Dairy Cattle Farming	32,300	21%	-15%
Grain, Sheep and Beef Cattle Farming	29,200	19%	-20%
Forestry and Logging	9,400	5%	-33%
Other Livestock Farming	5,200	3%	-32%
Marine Fishing	2,700	2%	-28%
Other Crop Growing	1,800	1%	24%
Poultry Farming	1,700	1%	-5%
Aquaculture	800	0%	-24%
Hunting and Trapping	200	0%	-28%
Agriculture, Forestry and Fishing	156,300	-	-3%
Total (All Industries)	2,173,300	-	13%

Source: 2006 Census of Population and Dwellings, Statistics New Zealand



Skills profile

Generally, employees in the agriculture, forestry and fishing industry have a higher proportion of employees identifying as having no qualifications compared to all industries in New Zealand.

Table 2: Qualifications held by employees within the industry, 2006

Occupation	No Qualification	School Qualification	Vocational	Bachelor Degree or Higher
Market Oriented Animal Producers	31%	39%	23%	6%
Market Farmers and Crop Growers	29%	38%	23%	9%
Agricultural, Earthmoving and Other Materials-Handling Equipment Operators	41%	37%	20%	3%
Forestry and Related Workers	41%	31%	25%	2%
Specialised Managers	17%	38%	26%	19%
Total - Agriculture, Forestry and Fishing industry	31%	38%	23%	8%
Total - All Occupations in New Zealand	19%	35%	27%	19%

Source: Census of Population and Dwellings, 2006

Qualification levels vary according to occupation within the agriculture, forestry and fishing industry. In 2006, Table 2 shows that specialised managers had the highest proportion of employees identifying as holding bachelor degrees or higher (19%). This was consistent with the national average of 19% for all occupations in New Zealand.

All of the occupational groups above except for specialised managers had a higher than average proportion of employees identified as having no qualifications, which could reflect the nature of employment in the industry, and the significant level of low skilled occupations and seasonal employment in the industry.

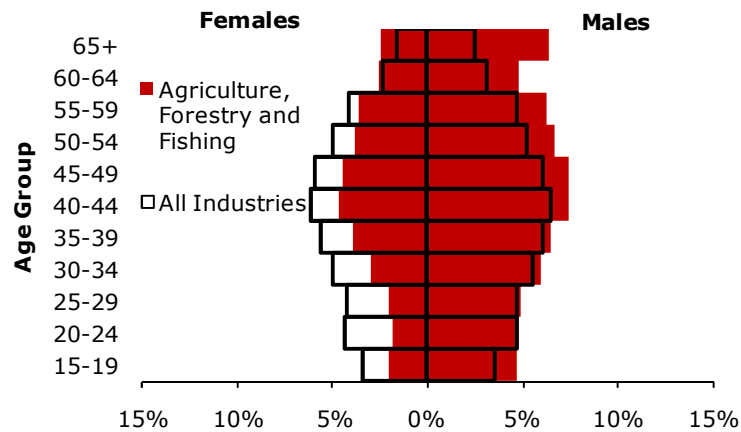
The lower average levels of qualifications within the agriculture, forestry and fishing industry may mean that employees are likely to experience increased difficulty in a time of high unemployment. If laid off, they are likely to have restricted employment prospects, as they will be competing for jobs with more qualified applicants from other industries.



Age/gender profile

The agriculture, forestry and fishing workforce is predominantly male, with males accounting for 66.2% of industry employment. From the 2006 Census, the latest date for which information is available, females made up 33.8% of the industry's workforce, compared with an average of 47.1% for all industries. There was also a significant portion of the workforce in the 65+ age group.

Figure 3: Age and gender profile of agriculture, forestry and fishing industry employees compared to the working age population, 2006

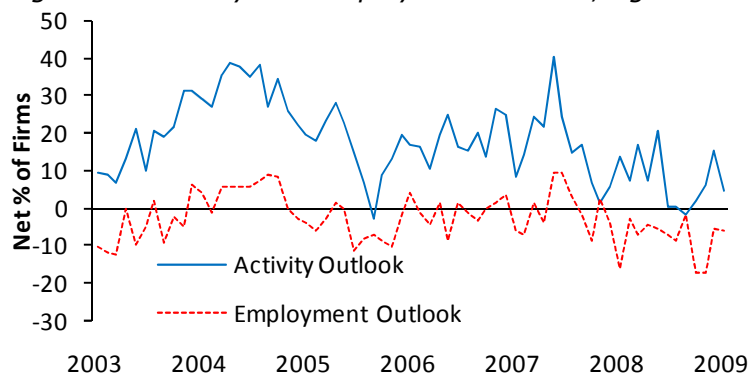


Source: 2006 Census of Population and Dwellings, Statistics New Zealand

Employer perspectives

In the May 2009 National Bank Business Outlook (see Figure 4), a net 6% of employers within the agriculture industry intended to employ fewer staff in the following year. According to the same survey however, a net 5% of employers in the agriculture industry expected business activity to increase over the coming year.

Figure 4: Activity and employment outlook, Agriculture



Source: National Bank Business Outlook, May 2009



Forecast employment

The Department of Labour prepares periodic updates of employment projections for industries and occupations for the next five years². These are based in part on the GDP forecasts by industry produced by the New Zealand Institute of Economic Research, but also take into account recent productivity trends within industries. It should be noted that a certain degree of uncertainty is attached to these industry employment projections which are often influenced by changes to industry prospects.

In the four years to 2013, employment in the agriculture, forestry and fishing industry is expected to decline by about 2.8% per annum. This compares with an annual average forecast growth rate of 0.7% across all industries over the same period. The projected decline is consistent with the decreasing employment experienced over the past five years.

Summary

After several years of decline, employment in the agriculture, forestry and fishing industry is likely to continue to decline as technical progress and innovation within the industry leads to increased labour productivity and a decreasing demand for unskilled labour.

² Department of Labour Employment Projections, 2008-2013